

0700 - Arkansas Department of Higher Education

Final Progress Report for the reporting period July 1, 2003 - June 30, 2004

Section I. Agency Update and Assessment

1. Emerging Issues at the Federal (National) or State level affecting the agency.

ADHE has seen two federal programs end and a new one begin. The Teacher Quality Enhancement grant and the long running Eisenhower funds ceased in August and September, 2003 respectively. The No Child Left Behind (NCLB) grant funds began in July, 2004. Higher education's portion of the state grant is used for professional development of teachers. The impact of these events has been a reduction of the number of teachers participating in ADHE-sponsored professional development efforts. The uncertainty of the economy and the funding implications for state government as a result of the state's response to the Lakeview decision complicated the planning and the implementation of the agency's budget.

2. Status of any new initiatives funded from General Revenue or General Improvement funds in the 2003 Legislative Sessions and other changes made through General Legislation.

The agency is preparing for the implementation of the State Teacher Assistance Resource (STAR) program, created by Act 1804 of 2003. Act 108 of the Second Extraordinary Session of 2003 provides funding for the Higher Education Coordinator of Recruitment position in 2004-05. The purpose of the STAR program is to motivate students to earn teacher licensure in critical subject areas and/or to be willing to teach in geographical critical areas of Arkansas. Six technical institutes were merged with higher education institutions, effective July 1, 2003. Four of these mergers were the result of the passage of Acts 359, 452, 678, and 830 of 2003. The implementation of the mergers has gone smoothly and the various programs that have been offered by the technical institutes have been reviewed by ADHE staff and will be recommended for approval by the Arkansas Higher Education Coordinating Board on August 6, 2004. Finally, Arkansas students attending specific out-of-state dental schools have received forgivable loans as a result of the passage of Act 1715 of 2003.

3. Discuss significant factors internal and external to the agency affecting agency performance.

The most significant factors are those that have effected the number of students who have qualified for the Academic Challenge Scholarship Program. The impact of the program being discontinued in 2002 has resulted in a larger than expected number of students failing to qualify for the program due to them not meeting the core curriculum requirements. Over the past two years, students either failed to understand the need to complete the core courses or there were still doubts about the availability of the program and students chose not to take the required fourth math course or the two foreign language courses. The result has been a lower total number of students in the program than had been projected in 2002.

4. Provide comments on the usefulness and reliability of performance measures.

The use of performance measures has assisted the staff in focusing upon the activities directly related to the mission of ADHE. The long-term benefits will be realized as the strategic plan evolves over time. The performance measures for student financial aid are as accurate as possible, given the factors mentioned above in #3.

5. Discuss significant uses of line item flexibility in this report period (agencies operating under Performance-Based Appropriations only).

Non - Applicable.

Section II. Performance Indicators**Program 1:** Higher Education Coordination

Goal 1: Coordinate higher education in Arkansas and promote quality in all aspects of higher education.

Objective 1: Promote creative, efficient, and effective leadership and management of higher education.

<u>Measure Number</u>	<u>Performance Indicators</u>	<u>Annual Target</u>	<u>FY04 Actual</u>	<u>Comments</u>
1	Number of university, community college, and technical college new program proposals, organizational structure changes, and proposals to establish new institutions reviewed	110	124	
2	Number of prior year audit findings repeated in subsequent audit.	0	0	

Comments on performance matters related to Objective 1:

It should be noted that of the 124 proposals reviewed by staff, 68 were through the Institution Certification Advisory Committee (ICAC). ICAC makes recommendations regarding the certification of proposals from non-public or out-of-state postsecondary education institutions as established by Act 903 of 1975 (codified as Arkansas Code 6-61-311-302). Thus, ICAC-related work requires a significant amount of staff time. Staff is considering recommending to the AHECB a schedule of fees to be charged to institutions to help support the staff resources expended on this effort.

Program 1: Higher Education Coordination

Goal 1: Coordinate higher education in Arkansas and promote quality in all aspects of higher education.

Objective 2: Provide relevant, timely quantitative and qualitative analyses of higher education data to the Governor, legislature, institutions of higher education, the U.S. Department of Education, the general public, and other interested constituencies.

<u>Measure Number</u>	<u>Performance Indicators</u>	<u>Annual Target</u>	<u>FY04 Actual</u>	<u>Comments</u>
1	Number of agency in-house data systems maintained by agency staff or maintained through contractual services.	2	2	
2	Agency information technology budget as a percent of the Higher Education Coordination program budget.	8%	8.2%	
3	Number of data files that are collected, organized, validated and electronically stored through the Student Information System (SIS).	600	622	The extra 22 files were from two-year colleges and related to workforce education. This is a new data collection that was not in place when the target was established.
4	Number of annual reports presented to the Arkansas Higher Education Coordinating Board related to college enrollments, remediation rates, retention and graduation rates as a function of gender and ethnicity, and program productivity.	6	7	

Comments on performance matters related to Objective 2:

Program 1: Higher Education Coordination

Goal 1: Coordinate higher education in Arkansas and promote quality in all aspects of higher education.

Objective 3: Provide a funding recommendation for public higher education to the Governor and Legislature.

<u>Measure Number</u>	<u>Performance Indicators</u>	<u>Annual Target</u>	<u>FY04 Actual</u>	<u>Comments</u>
1	A funding methodology and recommendation for operating/capital budgets that considers higher education needs and has been approved by the Arkansas Higher Education Coordinating Board (AHECB).	\$623.6 Million/ 185 Million	\$615.8 million/\$7.2 million	

Comments on performance matters related to Objective 3:

We think the performance indicator target is rather meaningless, since the actual amount of funds provided is really the function of the executive and legislative process. We have received approval for changing the target (for the next biennium) to a reflect the work of the agency by having a funding recommendation presented to the AHECB by August of even-numbered years.

Program 2: Student Financial Aid

Goal 1: Provide Arkansas residents financial assistance to enable them to attend an Arkansas higher education institution.

Objective 1: Coordinate needs-based student financial aid programs and make higher education accessible for those who seek and qualify for admission.

<u>Measure Number</u>	<u>Performance Indicators</u>	<u>Annual Target</u>	<u>FY04 Actual</u>	<u>Comments</u>
1	Number of scholarships, grants, and loans awarded to individual students by type of financial assistance: <u>Needs-based</u>	13,289	12,585*	The difference in the final numbers and the numbers reported in the mid-year report are caused by the fact that reconciliation reports from some institutions were not received until after January 1. This is applicable to #1, #2, and #3.
2	Number of scholarships, grants, and loans awarded to individual students by type of financial assistance: <u>Merit-based</u>	837	841	
3	Number of scholarships, grants, and loans awarded to individual students by type of financial assistance: <u>Special</u>	1,104	1,087	
4	Number of reports that provide: -10-year comparison of the number of Arkansas high school graduates who complete the college core curriculum. -10-year comparison of the college-going rate in Arkansas. -10-year comparison of the number of Arkansas students who scored 32 or higher on the ACT and attended college in Arkansas. -Retention and graduation rates of needs-based, merit-based, and special scholarships recipients.	1	1	

Program 2: Student Financial Aid (CONTINUED)

Goal 1: Provide Arkansas residents financial assistance to enable them to attend an Arkansas higher education institution.

Objective 1: Coordinate needs-based student financial aid programs and make higher education accessible for those who seek and qualify for admission.

<u>Measure Number</u>	<u>Performance Indicators</u>	<u>Annual Target</u>	<u>FY04 Actual</u>	<u>Comments</u>
4 (Cont'd.)	Number of reports that provide: -10-year comparison of the number of college graduates attending Arkansas colleges who were licensed to teach in Arkansas. -10-year comparison of the number of minority college graduates attending Arkansas colleges who were licensed to teach in Arkansas. -10-year comparison of the number of college graduates attending Arkansas colleges who were licensed to teach in Arkansas in the critical need areas of mathematics, science, foreign language, special education, and any other subject areas defined as such in the future by ADE. -Analyses and recommendations regarding improvements for scholarship programs created by statute.	1	1	

Comments on performance matters related to Objective 1:

*The Academic Challenge Scholarship Program did not receive as many qualified applicants as expected. Even though scholarships were restored to 2002 HS Grads, public faith in the programs was not restored as quickly as anticipated. Many 2002 HS Grads had dropped out of the college core courses and were, therefore, not eligible for the Academic Challenge Scholarship Program. This was also true for 2003 HS Grads, in that the scholarship funds were not assured until May of their senior year in high school. Due to these factors, the number of students qualifying for the programs was less than projected. The agency is developing strategies to reinforce past efforts to inform students and parents as to the need of completing the core curriculum.

Program 2: Student Financial Aid

Goal 1: Provide Arkansas residents financial assistance to enable them to attend an Arkansas higher education institution.

Objective 2: Coordinate merit-based student financial aid programs and make higher education accessible for those who seek and qualify for admission.

<u>Measure Number</u>	<u>Performance Indicators</u>	<u>Annual Target</u>	<u>FY04 Actual</u>	<u>Comments</u>
1	Number of scholarships, grants, and loans awarded to individual students by type of financial assistance: <u>Needs-based</u>	13,289	12,585	
2	Number of scholarships, grants, and loans awarded to individual students by type of financial assistance: <u>Merit-based</u>	837	841	
3	Number of scholarships, grants, and loans awarded to individual students by type of financial assistance: <u>Special</u>	1,104	1,087	
4	Number of reports that provide: -10-year comparison of the number of Arkansas high school graduates who complete the college core curriculum. -10-year comparison of the college-going rate in Arkansas. -10-year comparison of the number of Arkansas students who scored 32 or higher on the ACT and attended college in Arkansas. -Retention and graduation rates of needs-based, merit-based, and special scholarships recipients.	1	1	

Program 2: Student Financial Aid (CONTINUED)

Goal 1: Provide Arkansas residents financial assistance to enable them to attend an Arkansas higher education institution.

Objective 2: Coordinate merit-based student financial aid programs and make higher education accessible for those who seek and qualify for admission.

<u>Measure Number</u>	<u>Performance Indicators</u>	<u>Annual Target</u>	<u>FY04 Actual</u>	<u>Comments</u>
4 (Cont'd.)	<p>Number of reports that provide:</p> <ul style="list-style-type: none"> -10-year comparison of the number of college graduates attending Arkansas colleges who were licensed to teach in Arkansas. -10-year comparison of the number of minority college graduates attending Arkansas colleges who were licensed to teach in Arkansas. -10-year comparison of the number of college graduates attending Arkansas colleges who were licensed to teach in Arkansas in the critical need areas of mathematics, science, foreign language, special education, and any other subject areas defined as such in the future by ADE. -Analyses and recommendations regarding improvements for scholarship programs created by statute. 	1	1	

Comments on performance matters related to Objective 2:

Program 2: Student Financial Aid

Goal 1: Provide Arkansas residents financial assistance to enable them to attend an Arkansas higher education institution.

Objective 3: Coordinate special student financial aid programs and make higher education accessible for those who seek and qualify for admission.

<u>Measure Number</u>	<u>Performance Indicators</u>	<u>Annual Target</u>	<u>FY04 Actual</u>	<u>Comments</u>
1	Number of scholarships, grants, and loans awarded to individual students by type of financial assistance: <u>Needs-based</u>	13,289	12,585	
2	Number of scholarships, grants, and loans awarded to individual students by type of financial assistance: <u>Merit-based</u>	837	841	
3	Number of scholarships, grants, and loans awarded to individual students by type of financial assistance: <u>Special</u>	1,104	1,087	A small decrease in the number of qualified applicants for the Minority Teacher Scholarship contributed to the actual number being less than the target.
4	Number of reports that provide: -10-year comparison of the number of Arkansas high school graduates who complete the college core curriculum. -10-year comparison of the college-going rate in Arkansas. -10-year comparison of the number of Arkansas students who scored 32 or higher on the ACT and attended college in Arkansas. -Retention and graduation rates of needs-based, merit-based, and special scholarships recipients.	1	1	

Program 2: Student Financial Aid (CONTINUED)

Goal 1: Provide Arkansas residents financial assistance to enable them to attend an Arkansas higher education institution.

Objective 3: Coordinate special student financial aid programs and make higher education accessible for those who seek and qualify for admission.

<u>Measure Number</u>	<u>Performance Indicators</u>	<u>Annual Target</u>	<u>FY04 Actual</u>	<u>Comments</u>
4 (Cont'd.)	Number of reports that provide: -10-year comparison of the number of college graduates attending Arkansas colleges who were licensed to teach in Arkansas. -10-year comparison of the number of minority college graduates attending Arkansas colleges who were licensed to teach in Arkansas. -10-year comparison of the number of college graduates attending Arkansas colleges who were licensed to teach in Arkansas in the critical need areas of mathematics, science, foreign language, special education, and any other subject areas defined as such in the future by ADE. -Analyses and recommendations regarding improvements for scholarship programs created by statute.	1	1	

Comments on performance matters related to Objective 3:

Program 3: Health Professions Financial Assistance

Goal 1: Provide Arkansas residents financial assistance to enable them to attend health professional schools in other states in cases when Arkansas does not provide the training.

Objective 1: Coordinate the Arkansas Higher Education Grant (ARHEG) Program, a financial assistance program for students pursuing professional programs in certain healthcare fields that can only be obtained at out-of-state institutions through the Southern Regional Education Board (SREB) Regional Contract Program and direct contracts between participating institutions and the Arkansas Department of Higher Education.

<u>Measure Number</u>	<u>Performance Indicators</u>	<u>Annual Target</u>	<u>FY04 Actual</u>	<u>Comments</u>
1	Number of students, pursuing professional programs in certain healthcare fields that are not available in Arkansas, who receive assistance through the SREB Contract Program and direct contracts between participating institutions and the Department of Higher Education.	260	261	
2	Number of annual reports presented to the Arkansas Higher Education Coordinating Board that show the number of students receiving ARHEG assistance, retention and graduation rates of ARHEG students, and the percentage of program graduates licensed to practice in Arkansas upon graduation, noting those pursuing further training.	1	1	

Comments on performance matters related to Objective 1:

Program 4: Institutional Grants

Goal 1: Provide Arkansas institutions federal grant money that will assist them in serving special populations and providing special program support.

Objective 1: Coordinate and administer statewide federal programs designed to be awarded to institutions including the Carl D. Perkins Vocational and Technical Education Amendments of 1998 grant, the Arkansas Teacher Quality Enhancement Program, the Youth Opportunities Unlimited (YOU) enrichment program, and the Dwight D. Eisenhower Professional Development Program.

<u>Measure Number</u>	<u>Performance Indicators</u>	<u>Annual Target</u>	<u>FY04 Actual</u>	<u>Comments</u>
1	Number of students and teachers supported by federal financial assistance programs awarded to institutions.	22,740	28,512	

Comments on performance matters related to Objective 1:

Ninety-seven percent of this total is accounted by the number of Perkins-eligible students in post-secondary schools. These numbers are for the 2003-03 academic year because the Perkins reports are not due until September 1, 2004. 2002-03 was the first year that ADHE used a new data system to manage the reporting system for Perkins programs. Staff feels significantly more confident in the accuracy of the reporting with the new data system. This accounts for the target being lower than it should have been.